

**State of Washington
Decision Package**

Agency: 310 Department of Corrections
Decision Package Code/Title: 8Y – Other Rate Adjustments

Budget Period: 2005-07

Budget Level: M2 – Inflation and Other Rate Changes

Recommendation Summary Text:

The Department requests funds to provide for increases to work release, chemical dependency, education, and other service contracts.

Agency Total

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$540,000	\$1,225,000	\$1,765,000
Staffing			Annual
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

Program 200-Institutional Services

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$509,000	\$1,155,000	\$1,664,000
Staffing			Annual
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

Program 300-Community Corrections

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$31,000	\$70,000	\$101,000
Staffing			Annual
FTEs	<u>FY 2006</u> N/A	<u>FY 2007</u> N/A	<u>Average</u> N/A

Package Description

The Department contracts with the State Board for Community and Technical colleges, Employment Security Department (ESD), and other providers to provide educational services and transition services to offenders. The Department provides basic skills, vocational training, and offender change intervention services through the community colleges. The instructors who teach these courses are part of the state's higher education program. The vendor rate increase will be used to fund the salary increase to higher education staff if passed by the Governor and Legislature. If this funding is not received, the Department will have to reduce the number of contracted educational staff, and therefore will provide fewer educational programs to offenders. It is assumed that the funding requested for vendor rate increases will be sufficient to fund salary increases.

The Department currently contracts with six work release providers and Civigenics, as well as local, rural area providers, for chemical dependency services. Due to increases in salaries and supplies, the contracted vendors will be forced to reduce the treatment availability to the Department. These vendors have not received a rate increase since the 2001-2003 Biennium Operating Budget.

The Department also contract with several other providers for religious services, urinalysis (U/A) testing, and legal services. Increases to these contracts have traditionally been funded internally. The Department has lost flexibility to do this in the future and is requesting funding for these contract increases.

This request assumes that the increase will be 1.6 percent for Fiscal Year 2006 and 2.0 percent for Fiscal Year 2007, which is based on the Office of Financial Management's projected inflation rate.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain agency activities such as *Confine Convicted Adults in State Prisons*, *Education of Adult Offenders in State Prisons*, *Health Care Services for Adult Offenders in State Prisons*, *Supervise High-Risk Offenders in the Community*, *Supervise Moderate-Risk Offenders in the Community*, *Supervise Low-Risk Offenders in the Community* and *Corrections - Core Administration*. The resources identified will be directed to support the agency objective to adhere to national American Correctional Association standards for facilities and the field to reduce liability so that resources are used/deployed efficiently, effectively, and with regard to meeting constitutional mandates. This objective and strategy move the Department closer to meeting its high-level organizational goal to enhance organizational capacity and competency. This high-level goal is an intermediate outcome and helps achieve statewide results that improve the safety of people and property.

Performance Measure Detail

No measures were submitted for this package.

Reason for change:

Work release and chemical dependency contractors require additional funding in order to maintain the same level of service that is currently provided. This request is also necessary in order to maintain the number of education and vocational education courses currently available to offenders. Also, religious, (U/A) testing, and legal service contractors require additional funding in order to maintain the same level of services that are currently provided.

Impact on clients and services:

Work release and chemical dependency contract increases, as well as, religious, U/A testing, and legal services increases will be necessary to maintain the same level of services that are currently provided to offenders. Also, the Department will be able to maintain the level of educational programs currently offered to offenders. Should funding not be provided, contractors and educational providers will be forced to reduce the level of services/programs they provide to the Department.

Impact on other state programs:

The Department contracts with the State Board of Community and Technical Colleges to provide education programs to incarcerated offenders. Education is provided by instructors who are part of the state's higher education program. Should higher education staff be funded for a salary increase as part of the legislative budget, and the Department does not receive funding to pay for the salary increases, then the Department would have to reduce the number of contracted educational staff, and therefore will provide fewer educational programs to offenders. It is assumed that the funding requested for vendor rate increases will be sufficient to fund salary increases.

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

N/A

Alternatives explored by agency:

N/A

Budget impacts in future biennia:

This request will be biennialized and carried forward into future biennia.

Distinction between one-time and ongoing costs:

The contract costs in this request are ongoing.

Effects of non-funding:

Should funding not be provided, the Department could lose contract work release facilities, and be forced to place offenders currently in work release back in overcrowded prison facilities. The State Board of Community and Technical Colleges estimates that the \$524,440 requested in Fiscal Year 2007 for offender education is equivalent to providing education to approximately 156 student FTEs. Should the Department not receive the \$393,291 requested for chemical dependency vendor rate increase for Fiscal Year 2007, approximately 560 fewer offenders will be admitted to the chemical dependency program. Should the Department not receive the \$21,561 requested for U/A testing, the Department will either have to conduct 3,300 fewer U/A tests or reduce services in other areas that are deemed a lower priority. The offenders will also experience reduced religious, translator, and legal services that are currently available.

Expenditure Calculations and Assumptions:

The Department is required to offer several different programs and services to offenders, which are contracted with outside entities to perform. These contract costs are projected to increase based on the Office of Financial Management forecasted inflation rate of 1.6 percent for Fiscal Year 2006 and 2.0 percent for Fiscal Year 2007.

The Fiscal Year 2005 allotted level for vendor costs, \$33,731,214, was used as the base to calculate the additional funding requested. Applying the forecasted inflation rate to the base generated a need for

\$1,765,000 of additional funding to maintain the current level of programs and services for the 2005-2007 Biennium.

The requested funding increases for Fiscal Year 2006: Education - \$231,031; Chemical Dependency - \$120,272; Work Release - \$170,238; U/A Testing - \$6,593; and Religious and Legal Services - \$11,564.

The requested funding increases for Fiscal Year 2007: Education - \$524,440; Chemical Dependency - \$273,019; Work Release - \$386,441; U/A Testing - \$14,968; and Religious and Legal Services - \$26,251.

Object Detail	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
N Grants, Benefits, and Client Services	\$540,000	\$1,225,000	\$1,765,000